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DEPARTMENT FOR EAP AND EAP/CM  
NSC FOR DENNIS WILDER

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SUBJECT: MORE POLITICAL APPOINTEES FOR HONG KONG GOVERNMENT?

CLASSIFIED BY: ECONOMIC/POLITICAL SECTION ACTING CHIEF JEFF ZAISER; REA  
SONS 1.4 (B, D)

1. (C) SUMMARY: ON JULY 26, THE HONG KONG GOVERNMENT (HKG) RELEASED A PROPOSAL TO SIGNIFICANTLY INCREASE THE NUMBER OF POLITICAL APPOINTMENTS TO HIGH-RANKING POSITIONS. THE PLAN, PART OF CHIEF EXECUTIVE (CE) DONALD TSANG'S INITIATIVE FOR STRONG GOVERNANCE, IS INTENDED TO STRENGTHEN SUPPORT FOR MINISTERS AS THEY UNDERTAKE POLITICAL WORK AND ALSO TO PROVIDE ANOTHER CAREER PATH FOR PEOPLE INTERESTED IN CAREERS IN POLITICS. WHILE ASSERTING THAT ANY NEW APPOINTEES WOULD NEED TO ENDORSE THE CES POLITICAL PHILOSOPHY AND PROGRAM, SECRETARY FOR CONSTITUTIONAL AFFAIRS STEPHEN LAM REJECTED

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CLAIMS THAT A LARGE MAJORITY OF THE APPOINTEES WOULD BE DRAWN FROM PRO-GOVERNMENT POLITICAL PARTIES. BOTH THE PRO-BUSINESS LIBERAL PARTY (LP) AND THE PRO-BEIJING DEMOCRATIC ALLIANCE FOR THE BETTERMENT AND PROGRESS OF HONG KONG (DAB) REACTED POSITIVELY TO THE PROPOSAL, WHILE THE PRO-DEMOCRACY PARTIES SAID IT WOULD FURTHER INHIBIT THE DEVELOPMENT OF DEMOCRACY. ONE CIVIC PARTY MEMBER, A POLITICAL SCIENCE PROFESSOR, SAID THE PLAN WAS "REASONABLE" IN SOME RESPECTS, BUT HE DOUBTED WHETHER ANY MEMBERS OF THE DEMOCRATIC PARTIES WOULD ACCEPT APPOINTMENTS. EXECUTIVE COUNCIL MEMBER ANTHONY CHEUNG TOLD US THAT THE PAN-DEMOCRATS WOULD FACE A DILEMMA IF TSANG OFFERED THEM POSITIONS: ACCEPTANCE WOULD ADD LEGITIMACY TO THE TSANG ADMINISTRATION, WHILE REFUSAL WOULD BRING ACCUSATIONS THAT THEY WERE ONLY INTERESTED IN BLOCKING TSANGS EFFORTS TO IMPROVE GOVERNANCE.

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2. (C) COMMENT: MANY OF HONG KONGS MOST PROMINENT PRO-DEMOCRACY LEADERS VIEW THE PROPOSAL CYNICALLY AS ANOTHER ATTEMPT BY DONALD TSANG TO STRENGTHEN HIS CE OFFICE. THEY ALSO SEE IT AS A "TRAINING PROGRAM" FOR TSANG'S PRIMARY POLITICAL PARTY ALLY, THE DAB. THE GOVERNMENT DID NOTHING TO DAMPEN THOSE DOUBTS WHEN LAM OBSERVED THAT THE NEW APPOINTEES WOULD NEED TO SHARE THE VISIONS AND IDEAS OF THE CE. BY OPENING A FOUR-MONTH CONSULTATION PERIOD, THEN DEFERRING FURTHER ACTION UNTIL AFTER THE 2007 CHIEF EXECUTIVE ELECTION -- ESSENTIALLY COPYING THE GOVERNMENT'S STRATEGY FOR POSSIBLE INTRODUCTION OF A NEW GENERAL SERVICES TAX (GST) -- TSANG SHOULD BE ABLE TO POINT TO THE PROPOSAL AS A POSITIVE MOVE FROM HIS ADMINISTRATION WHILE AVOIDING MUCH NEGATIVE PUBLIC REACTION. END SUMMARY AND COMMENT.

MORE JOBS FOR POLITICAL APPOINTEES

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13. (SBU) ON JULY 26, THE HKG RELEASED A "CONSULTATION DOCUMENT" ENTITLED "FURTHER DEVELOPMENT OF THE POLITICAL APPOINTMENT SYSTEM." IF IMPLEMENTED, THE PROPOSAL WOULD SIGNIFICANTLY EXPAND THE NUMBER AND DEPTH OF POLITICAL APPOINTMENTS TO HIGH-RANKING POSITIONS. THE PROPOSAL WAS SUBMITTED ON VERY SHORT (LESS THAN 24 HOURS) NOTICE TO THE LEGISLATIVE COUNCIL'S (LEGCO) CONSTITUTIONAL AFFAIRS PANEL, WHICH IN TURN WAS FORCED TO HOLD JUST AN "INFORMAL DISCUSSION" WHEN ONLY NINE OF ITS 44 MEMBERS ATTENDED THE MEETING. A QUORUM OF AT LEAST 14 MEMBERS IS REQUIRED FOR AN OFFICIAL MEETING. (NOTE: LEGCO CURRENTLY IS NOT IN SESSION, SO MANY MEMBERS ARE TRAVELING OUTSIDE OF HONG KONG.)

14. (SBU) THE PROPOSAL SEEKS TO BUILD ON THE MINISTERIAL SYSTEM INTRODUCED IN 2002 BY THEN-CHIEF EXECUTIVE TUNG CHEE HWA, WHO REPLACED A NUMBER OF TOP CIVIL SERVANTS WITH POLITICAL APPOINTEES, SOME OF WHOM WERE RECRUITED FROM OUTSIDE THE GOVERNMENT. THE NEW PLAN HAS TWO MAIN COMPONENTS: FIRST, IT WOULD CREATE 22 NEW POLITICAL APPOINTEE POSITIONS IN THE GOVERNMENT, INCLUDING ONE DEPUTY DIRECTOR AND ONE ASSISTANT TO DIRECTOR POSITION IN EACH OF THE ELEVEN POLICY BUREAUS. SECOND, IT WOULD SEEK TO MAINTAIN THE POLITICAL NEUTRALITY OF THE CAREER CIVIL SERVICE BY REQUIRING OFFICIALS TO RESIGN FROM THE CIVIL SERVICE BEFORE ACCEPTING A POLITICAL APPOINTMENT; IT ALSO WOULD MANDATE A CLEAR DELINEATION OF ROLES AND RESPONSIBILITIES BETWEEN THE POLITICAL AND CIVIL SERVICE TIERS OF THE GOVERNMENT. TWO OTHER OBJECTIVES OF THE PROPOSAL ARE TO STRENGTHEN SUPPORT FOR MINISTERS AS THEY UNDERTAKE POLITICAL WORK, THEREBY PRESERVING THE POLITICAL NEUTRALITY OF THE CAREER CIVIL SERVICE, AND TO PROVIDE ANOTHER CAREER PATH AND MEANS TO GAIN GOVERNMENT EXPERIENCE FOR HONG KONG PEOPLE INTERESTED IN CAREERS IN POLITICS.

OPEN TO EVERYONE?

15. (C) SPEAKING AT A JULY 26 PRESS CONFERENCE, SECRETARY FOR CONSTITUTIONAL AFFAIRS STEPHEN LAM SAID THE PROPOSAL WOULD CREATE MORE ROOM FOR PARTICIPATION IN POLITICAL AFFAIRS, ALTHOUGH HE ADDED THAT THE NEW APPOINTEES WOULD NEED TO

ENDORSE THE CE'S MANIFESTO AND RULING PHILOSOPHY. HE PRAISED THE PLAN AS "OFFERING THE CHIEF EXECUTIVE GREATER FLEXIBILITY TO BRING IN MORE POLITICAL TALENTS FROM ALL SECTORS, IRRESPECTIVE OF THEIR POLITICAL AFFILIATIONS." REJECTING CLAIMS THAT A LARGE MAJORITY OF THE NEW APPOINTEES WOULD BE DRAWN FROM THE GENERALLY PRO-GOVERNMENT DAB, OR FROM ANY SINGLE PARTY, LAM NOTED THAT CE TSANG HAD APPOINTED INDEPENDENT DEMOCRAT ANTHONY CHEUNG TO THE EXECUTIVE COUNCIL IN 2005. (NOTE: CHEUNG, GENERALLY VIEWED AS THE ONLY TRUE DEMOCRAT IN THE 29-MEMBER EXECUTIVE COUNCIL (EXCO), TOLD US WRPLY THAT THIS IS NOT THE FIRST TIME LAM HAS USED HIS EXCO APPOINTMENT TO PROCLAIM THE ADMINISTRATION'S POLITICAL PLURALISM. END NOTE.) AT THE SAME PRESS CONFERENCE, SECRETARY FOR THE CIVIL SERVICE DENISE YUE SAID THE CIVIL

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SERVICE WOULD REMAIN THE CORNERSTONE OF THE GOVERNMENT. SHE POINTED OUT THAT THE (CIVIL SERVICE) PERMANENT SECRETARIES AND DEPUTY SECRETARIES WOULD NOT HAVE ANY "HIERARCHICAL RELATIONS" WITH THE NEW POLITICAL APPOINTEES.

16. (C) ON JULY 27, CONSTITUTIONAL AFFAIRS BUREAU ACTING DEPUTY SECRETARY JOYCE HO CONFIRMED TO US THAT THE GOVERNMENT WOULD NOT ATTEMPT TO IMPLEMENT THE NEW POLITICAL APPOINTMENT PROPOSAL DURING CHIEF EXECUTIVE TSANG'S CURRENT TERM, WHICH WILL END IN JUNE 2007. IN THE FIRST PHASE, SHE SAID HER BUREAU WOULD COLLECT AND COLLATE COMMENTS FROM OTHER GOVERNMENT DEPARTMENTS AND THE PUBLIC UNTIL NOVEMBER 30; HO SAID IT WOULD BE PREMATURE TO COMMENT ON HOW THE GOVERNMENT MIGHT PROCEED AFTER THAT, SAYING THAT "WE JUST PUBLISHED THIS THING YESTERDAY."

17. (SBU) PUBLIC AND PRESS REACTION TO THE PROPOSAL WAS MIXED BUT PRIMARILY NEGATIVE. WHILE THE LP AND DAB WERE GENERALLY POSITIVE, PROMINENT MEMBERS OF THE PRO-DEMOCRACY PARTIES, INCLUDING CHAIRMAN LEE WING-TAT OF THE DEMOCRATIC PARTY,

EMILY LAU OF THE FRONTIER, AND CIVIC PARTY LEGCO MEMBER MARGARET NG ALL SAID THAT THE PLAN WOULD FURTHER INHIBIT THE DEVELOPMENT OF DEMOCRACY AND ALSO LARGELY BENEFIT THE PRO-BEIJING DAB, WHOSE MEMBERS LIKELY WOULD RECEIVE MOST OF THE APPOINTMENTS. SOME OF THE DEMOCRATS ALSO NOTED THAT THE PROPOSED SALARY LEVELS FOR THE NEW APPOINTEES WOULD GREATLY EXCEED THOSE FOR LEGCO MEMBERS. MOST OF HONG KONG'S MAJOR NEWSPAPERS ALSO EXPRESSED CONCERNS ABOUT VARIOUS ASPECTS OF THE PROPOSAL, ALTHOUGH ONLY THE INDEPENDENT ENGLISH-LANGUAGE "SOUTH CHINA MORNING POST" AND THE CHINESE-LANGUAGE "MING PAO" REJECTED IT ENTIRELY.

#### A REASONABLE PLAN?

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18. (C) ON JULY 27, CITY UNIVERSITY PROFESSOR AND CIVIC PARTY MEMBER JOSEPH CHENG TOLD US THAT, DESPITE THE FLOOD OF NEGATIVE COMMENT IN THE PRESS, HE DID NOT VIEW THE PLAN AS NECESSARILY NEGATIVE: "SPEAKING AS A POLITICAL SCIENTIST, IT IS REASONABLE." HE BELIEVED THE PLAN WAS PART OF DONALD TSANG'S PUSH FOR STRONG GOVERNANCE, WHICH WAS THE MOST

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PROMINENT ELEMENT OF THE CE'S FIRST POLICY ADDRESS IN OCTOBER 2005. ACCORDING TO CHENG, THE IMMEDIATE BASIS FOR THE POLITICAL APPOINTMENT PROPOSAL WAS THE GOVERNMENT'S RECOGNITION THAT THE EXISTING "ILL-CONSIDERED" MINISTERIAL SYSTEM INSTALLED BY FORMER CE TUNG LACKED A CADRE OF OUTSIDE STAFF TO SUPPORT THE POLITICALLY APPOINTED MINISTERS, AND THEREFORE WAS INCOMPLETE AND INADEQUATE. MORE FUNDAMENTALLY, HOWEVER, THE CURRENT SYSTEM -- WITH OR WITHOUT THE ADDITIONAL POLITICAL APPOINTMENTS -- WOULD REMAIN FATALLY FLAWED, BECAUSE THE LACK OF UNIVERSAL SUFFRAGE AND FULL DEMOCRACY RESULTED IN THE INDIRECT ELECTION OF A CE WITHOUT A FULL MANDATE TO APPOINT HIS OWN TEAM.

19. (C) AS TO HOW THE NEW SYSTEM MIGHT WORK, CHENG SAID THAT "UNDER THE PRESENT CIRCUMSTANCES, IDEALLY THE POLITICAL APPOINTEES WOULD BE A MIX OF PEOPLE FROM THE POLITICAL PARTIES AND THE BUSINESS SECTOR." HE SAID CE TSANG BELIEVED THAT HE NEEDED PEOPLE TO HANDLE THE "POLITICAL ASSIGNMENTS" FOR WHICH CAREER CIVIL SERVICE OFFICERS MIGHT BE UNSUITABLE. CHENG AGREED THAT THE NEW APPOINTEES PROBABLY WOULD BE DRAWN LARGELY FROM THE DAB, WITH A FEW FROM THE LP. ASKED WHETHER THE APPOINTEES MIGHT INCLUDE MEMBERS OF THE PRO-DEMOCRACY PARTIES, CHENG LAUGHED AND SAID HE HAD NOT THOUGHT THAT WOULD BE POSSIBLE UNTIL WE ASKED HIM ABOUT IT. IN ANY EVENT, HE BELIEVED NONE OF THE DEMOCRATS WOULD ACCEPT APPOINTMENTS EVEN IF THEY WERE OFFERED.

#### DILEMMA FOR THE DEMOCRATS

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110. (C) ON JULY 27, EXCO MEMBER AND CITY UNIVERSITY PROFESSOR ANTHONY CHEUNG TOLD US THERE WAS NOT NECESSARILY ANY REASON FOR CE TSANG TO EXCLUDE PRO-DEMOCRACY POLITICAL PARTY MEMBERSE

FROM THE NEW GROUP OF POLITICAL APPOINTEES. ON THE CONTRARY, HE BELIEVED SUCH APPOINTMENTS WOULD ADD LEGITIMACY AND POPULARITY TO THE TSANG ADMINISTRATION, AND THE NON-PARTISAN CAREER CIVIL SERVANTS ALSO WOULD BE UNLIKELY TO OBJECT. CHEUNG OPINED THAT THE CRITERION FOR THE NEW APPOINTMENTS SHOULD BE WHETHER THE PUBLIC VIEWED THE INDIVIDUALS AS COMPETENT, RATHER THAN AS MERE RECIPIENTS OF POLITICAL LARGESSE. THE DILEMMA FOR THE DEMOCRATS, SAID CHEUNG, WOULD BE WHETHER TO ACCEPT ANY APPOINTMENTS THAT MIGHT BE OFFERED: IF THEY JOINED THE ADMINISTRATION, THEY MIGHT BE PERCEIVED BY THEIR PARTY COLLEAGUES AS COLLABORATORS ADDING LEGITIMACY TO AN UNDEMOCRATIC GOVERNMENT; IF THEY DECLINED, HOWEVER, THEY COULD BE LABELED OPPOSITIONISTS SIMPLY INTENT ON BLOCKING THE TSANG ADMINISTRATION'S EFFORTS TO IMPROVE GOVERNANCE.

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